for crop loan upto Rs. 10,000/- and term loan upto Rs. 10,000/- where moveable assets are created. However, primary security by way of hypothecation of crops/moveable assets are taken. In case the assets created out of the loan amount are immoveable assets, banks should not obtain collateral security for such loans upto Rs. 2,000/-. Besides where there are genuine difficulties in the creation of mortgage, charge on land, wherever required, banks could take third party or such other security as considered appropriate.

(b) to (d) With effect from 1.4.1989, the guarantee cover under the Deposit Insurance & Credit Guarantee Corporation (DICGC) Scheme has been extended to all priority sector advances and the guarantee fee charged to banks for the cover is at the rate of 1.5 per cent on outstanding loans and advances in the priority sectors as at the end of the year. In terms of RBI guidelines, banks are required to bear the guarantee fees in respect of advances to (i) weaker sections in the priority sector; (ii) housing loans upto Rs. 5000 granted to SC/ST and economically weaker sections; and (iii) pure consumption loans, and should not recover the fees from the borrowers. In the case of advances where the banks charge interest of 19 per cent or more, the banks will have to absorb the guarantee fees. In all other cases, banks should ensure that the lending rates as stipulated together with the guarantee fee, irrespective of whether it is levied separately or does not exceed 19 per cent.

Action against Delhi business groups

2970. SHRI SARADA MOHANTY:
SHRI CHIMANBHAI MEHTA:
SHRIMATI MIRA DAS:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that New Delhi firm N.S. Overseas and M/s. Rajendra Brothers had imported in December, 1991 duty free zink against fraudulent export in August, 1991 through Nepal and whether their duty free goods were seized;

(b) whether it is also a fact that Delhi business groups indulged in import of duty free goods of Rs. 100 crores and made fraudulent records exports against the same;

(c) if so, what action have been taken against these business groups and particularly against the Rustogis; and

(d) if no, what are the reason therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d) Two Delhi based firms, namely, M/s. N.S. Overseas and M/s. Rajendra Brothers, which are controlled by a Delhi business group, imported duty free zinc in December, 1991, against alleged fraudulent exports effected in July-August, 1991 to Nepal under the Duty Exemption Entitlement Certificate Scheme. The Directorate of Revenue Intelligence has seized about 175 metric tonnes of zinc ingots valued at over Rs. 1 crore on 27th December, 1991. Further investigation are still in progress.

New incentives to revenue officials

2971. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under consideration of Government to offer some new incentives/rewards to the revenue officials to increase the revenue collections;

(b) if so, what are the details thereof and

(c) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTER OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (c) Schemes for rewards to revenue officials have been in operation for many years and these have been under constant review and they are modified from time to time with a view to increasing the revenue collections.